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S E C R E T SECTION 01 OF 02 BAGHDAD 000474

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TAGS: IZ MARR MCAP MOPS PGOV PINS PNAT PTER

SUBJECT: MALIKI RECONSIDERS CABINET RE-SIZING, MAKES

ELECTRICITY SUPPLY TOP PRIORITY

REF: A. BAGHDAD 166

¶B. COUNCIL OF REPRESENTATIVES REPORT 13 FEB 08

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Classified By: Ambassador Ryan Crocker for reasons 1.4 (b) and (d).

11. (S) SUMMARY: At the weekly security meeting with the Ambassador and General Petraeus on February 14, Prime Minister Maliki expressed optimism on the return of the Tawafaq and Iraqiyya parties to the government, but noted their objection to reducing the number of ministries. On services, Maliki asked for help from a major U.S. energy production company to overhaul the entire Iraqi electricity production and distribution grid. Turning to operations in Northern Iraq, General Petraeus assessed that General Riyadh was off to a good start in Mosul. Petraeus noted that he was more concerned with Diyala and ineffective leadership there; General Petraeus urged Maliki to consider replacing the Diyala Operations Command commanding general. At the conclusion of the meeting, the Prime Minister accepted congratulations on passage of the Amnesty, Provincial Powers, and Budget Laws. Maliki expressed his desire to hold provincial elections on consecutive days and he remained noncommittal to the Ambassador's suggestion for open-list balloting. END SUMMARY.

No Reduction in Number of Ministries

- 12. (S) At their weekly security meeting, Prime Minister Maliki told the Ambassador and General Petraeus that he remained optimistic about the Tawafaq and Iraqiyya parties rejoining the government, but expressed disappointment that he could not at their insistence consolidate the number of ministries by a third (Reftel A). Maliki said he would accept it as the price of political reconciliation and noted he had given them another week to decide whether to rejoin the government. More pessimistically, Maliki complained that serious internal disputes within Tawafaq were leading some of its members to set unreasonable conditions and he confided President Talibani's assessment that they actually wanted to bring the government down. Maliki reiterated his desire for an all-inclusive, technocratic government without ministry quotas for individual political parties.
- 13. (S) When Ambassador Crocker asked the Prime Minister if this impasse also applied to naming ambassadors and deputy ministers, Maliki replied that a multi-party committee had already completed their nominations to which he had no

objections. He complained that "other people" were preventing final implementation, but said he remained open to negotiations with them if it would accelerate the process.

Maliki Wants U.S. Company to Fix Electricity

14. (S) Turning to services and pending legislation, the Ambassador urged Maliki to use the upcoming recess of the Council of Representatives (CoR) to critically examine pending legislation like the Hydrocarbon Law. Maliki agreed on its importance but stressed that his number one energy priority now was the production and distribution of electricity. He noted that he had just given the Minister of Electricity, Kareem Waheed, wide-raging authority to personally commit government funds, establish lines-of-credit, hire contractors, fire or punish underperforming employees, and build additional capacity. General Petraeus pointed out a number of important things that could be done immediately to increase electricity supply--like purchasing proper fuel for the gas turbine plants--but Maliki called these short-term, temporary fixes. Maliki accepted General Petraeus' offer to provide a draft energy plan to the Prime Minister's committee working oil and electricity issues. The Prime Minister emphasized that he needed help in finding a large, experienced American company to overhaul the entire Iraqi electrical production and distribution grid. When the Ambassador called it unlikely that a U.S. firm would invest its own money in such a comprehensive and risky project, Maliki acknowledged the problem but intimated the effort would be Iraqi-funded.

Mosul Dangerous, Diyala Worse

15. (S) Shifting to security issues in northern Iraq, General BAGHDAD 00000474 002.2 OF 002

Petraeus noted that at this point the security situation in Diyala province concerned him more than the situation in Ninevah. He observed that Lieutenant General Riyadh, the new commander of the Nivewa Operations Center, seemed to be off to a very good start in Mosul. General Petraeus expressed concerns about the effectiveness of the Diyala Operations Center (DOC) commander, Major General Abdul Kareem. He urged Maliki to consider replacing him with Major General Abdel Amir, commander of the 6th Iraqi Army (IA) division in Baghdad. Maliki agreed that Amir was an excellent officer, but worried that it would upset the delicate sectarian balance in Diyala since Amir--a Shia--would replace a Sunni commander. General Petraeus pressed Maliki, suggesting he could assuage sectarian concerns by appointing a Sunni police chief to replace the current chief who was considered to be very weak. Prime Minister Maliki remained noncommittal about replacing the DOC commander but indicated to General Petraeus that he would consider his suggestion.

Three Laws Passed

16. (S) The Ambassador and General Petraeus congratulated the Prime Minister on the parliament's simultaneous passage of the Amnesty, Provincial Powers, and Budget Laws (Ref B). Maliki thanked them and noted that his government was fulfilling its promises, especially on reconciliation and amnesty. He added that not every political party was happy with the outcome but called it the nature of the democratic process. Referring to the election requirement, called for in the Provincial Powers Law, Maliki said he supported provincial elections on separate days for each province. He explained this would maximize security by allowing forces to be moved among provinces and minimize the chance for fraud by making a greater number of election observers available each day. When the Ambassador suggested this also might be a good opportunity to switch to an open-list ballot, allowing Iraqis to vote on individual candidates rather than parties, Maliki

demurred and did not commit either way. $\ensuremath{\mathsf{CROCKER}}$